What is claimed is:

1. A fuel dispenser activation apparatus comprising:

a fuel dispenser having a fueling hose terminating in a fueling nozzle, a nozzle holster into which the fueling nozzle is inserted and where said nozzle resides when the dispenser is not dispensing fuel and from which said nozzle is removed to dispense fuel;

a proximity sensor for sensing the presence and absence of the nozzle in the holster.

2. The fuel dispenser of claim 1, further comprising:

an electrode disposed proximate to the holster and in communication with the proximity sensor that improves the sensitivity of the proximity sensor.

3. The fuel dispenser of claim 1, wherein:

said proximity sensor is an inductive device.

4. The fuel dispenser of claim 1, wherein:

said proximity sensor is a capacitive device.

5. The fuel dispenser of claim 1, wherein:

said proximity sensor is a photoelectric device.

6. The fuel dispenser of claim 1, wherein:

said proximity sensor is an ultrasonic device.

7. The fuel dispenser of claim 2, wherein:

said electrode comprises one or more of wire, wire mesh, conductive foil, metal tape.

8. The fuel dispenser of claim 1, wherein:

the proximity sensor produces a signal indicating a condition that the nozzle is either proximate to or distant from the holster.

9. The fuel dispenser of claim 1, further comprising:

a signal connection between the proximity sensor and a switching device, said switching device signaling the activation and termination of fueling activity based on the signal from the proximity sensor.

10. The fuel dispenser of claim 9, wherein:

said signal connection comprises one or more of a group of technologies, said group comprising direct wired electronic connection, optical signal connection, wireless signal connection.

11. A fuel dispenser activation apparatus comprising:

a fuel dispenser having a fueling hose terminating in a fueling nozzle, a nozzle holster into which the fueling nozzle is inserted and where said nozzle resides when the dispenser is not dispensing fuel and from which said nozzle is removed to dispense fuel;

a proximity sensor for sensing nozzle removal from and insertion into the holster.

12. The fuel dispenser of claim 11, further comprising:

an electrode disposed proximate to the holster and in communication with the proximity sensor that improves the sensitivity of the proximity sensor.

13. The fuel dispenser of claim 11, wherein:

said proximity sensor is an inductive device.

14. The fuel dispenser of claim 11, wherein:

said proximity sensor is a capacitive device.

15. The fuel dispenser of claim 11, wherein:

said proximity sensor is a photoelectric device.

16. The fuel dispenser of claim 11, wherein:

said proximity sensor is an ultrasonic device.

17. The fuel dispenser of claim 11, wherein:

said proximity sensor produces a signal indicating transition between the proximate and distant state of the nozzle relative to the holster.

18. The fuel dispenser of claim 12, wherein:

said electrode comprises one or more of wire, wire mesh, conductive foil, metal tape.

19. The fuel dispenser of claim 11, further comprising:

a signal connection between the proximity sensor and a switching device, said switching device signaling the activation and termination of fueling activity based on the signal from the proximity sensor.

20. The fuel dispenser of claim 19, wherein:

said signal connection comprises one or more of a group of technologies, said group comprising direct wired electronic connection, optical signal connection, wireless signal connection.